Meeting of G-24

2278. SHRI PINAKI MISRA : Will the Minister of FINANCE be pleased to state :

(a) whether a meeting of Finance Ministers of G-24 developing countries was held in Washington in September, 1996;

(b) if so, whether the Ministers meet cautioned about application of conditionalities in the Government area;

(c) if so, the details thereof; and

(d) the subjects discussed therein and the decisions arrived at?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) Yes Sir.

(b) and (c). Yes Sir. The Ministers of the Intergovernmental Group of Twenty-Four on International Monetary Affairs stressed that the Bretton Woods Institutions should proceed with extreme caution in the application of conditionalities in the governance area.

(d) At this meeting a number of subjects related to World Economic Outlook, IMF and World Bank were discussed. The Ministers stressed the need for strengthening IMF surveillance over industrial countries and the IMF's financial reforms. The Ministers noted the progress made on issues relating to the financing of Enhanced Structural Adjustment Facility of the IMF and welcomed the progress made by the Bretton Woods Institutions in the joint initiative for the heavily indebted poor countries. The Ministers expressed the concern over inadequate donor contribution to IDA-11 and stressed the need for official development assistance to developing countries.

[Translation]

Cement Corporation of India

2279. SHRIMATI CHHABILA ARVIND NETAM : Will the Minister of INDUSTRY be pleased to state :

(a) whether there is a proposal to handover some of the units of Cement Corporation of India located in Madhya Pradesh to the private sector;

(b) if so, the names of these units; and

(c) the reasons therefor?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) to (c). Since Cement Corporation of India (CCI) has been continuously incurring heavy losses, various remedial measures were considered by the Government. The feasibility of selling individual units has been one such step considered by the Government. Accordingly, CCI has invited global bids for joint venture/sale of some units including Akaltara and Mandhar in Madhya Pradesh.

[English]

Implications on Multilateral Agreement on Investment

2280. DR. MURLI MANOHAR JOSHI : Will the Minister of COMMERCE be pleased to state :

(a) whether Mr. Julius Nyrere, Former President of South Africa has written to our Government inviting attention to the implications of the proposed multilateral agreement on investment;

(b) if so, the details of the salient points made therein;

(c) whether the Government propose to initiate efforts for evolving a consensus among the developing countries on the MAI draft; and

(d) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) and (b). Mr. Julius K. Nyerere, Chairman of the South Centre, Geneva written to the Prime Minister on 2nd September, 1996 regarding the proposal of the developed countries that the foreign direct investment be liberalised and made subject to a global regime. He had sent a policy note on the subject prepared by the South Centre and stated that only on the basis of detailed national, regional and global studies could developing countries analyse the implications of such a regime. He has expressed the need for developing countries to work together on this issue.

(c) and (d). The Government has opposed any discussion on the issue of investment in the WTO at present and is of the view that the issue should first be analysed and discussed in UNCTAD so that the pros and cons thereof can be understood from the stand point of developing countries. The Government has also taken various steps for evolving consensus among the developing countries on this matter. These efforts include the holding of a preparatory official level meeting for the Singapore WTO Ministerial Conference in New Delhi with the participation of 13 other developing countries in September, 1996 and the issue of a joint statement by 8 developing countries including India made on the investment issue in the WTO in Geneva in October, 1996. The issue was also discussed during the G-15 Summit meeting at Harare and the need for prior consensus building in a forum like UNCTAD was endorsed.

[Translation]

Consumer Goods

2281. SHRI SHATRUGHAN PRASAD SINGH : Will the Minister of FINANCE be pleased to state the reasons for continuous increase in the prices of consumer goods